



MISSOURI DEPARTMENT OF NATURAL RESOURCES

Fiscal Year 2022

(Reporting Year Oct. 1, 2021 – Sept. 30, 2022)

Drinking Water State Revolving Fund Intended Use Plan

**Adopted October 7, 2021
Amended January 12, 2022**

List of Fiscal Year 2022 Applicants

	Applicant	Priority Points	Service Area Population	Financial Assistance Request
C	Archie	106	1,170	\$ 5,403,169
C	Bowling Green	41	5,334	\$ 845,325
C	Brashear	54	273	\$ 950,748
	Camden County PWSD #1	105	220	\$ 2,710,221
C	Cass Co. PWSD #10	34	2,500	\$ 1,721,705
	Chamois	135	396	\$ 751,660
C	Cole Co. PWSD #4	14	7,568	\$ 4,799,025
C	Harry S Truman PWSD #2	54	3,200	\$ 1,959,846
	Licking	85	3,124	\$ 4,851,173
C	Memphis, Phase II	45	1,822	\$ 2,519,050
C	Moniteau Co. PWSD #1	90	203	\$ 2,657,282
	Mokane	55	185	\$ 1,521,100
	Newburg	110	470	\$ 1,147,592
	Paris - Planning and Design	50	1,220	\$ 386,400
	Paris	50	1,220	\$ 3,023,820
	Princeton	145	1,166	\$ 3,098,550
	Pineville	75	790	\$ 1,798,800
	Saline County PWSD #1	35	591	\$ 1,222,725
	Silex	70	187	\$ 2,109,688
	Urbana	75	417	\$ 1,156,043
	Warsaw	55	2,127	\$ 4,979,023
Total Comprehensive List Projects				\$ 49,612,945

Note: C = Carried over from the last Intended Use Plan

Allocation of Available Funds

Missouri law requires that twenty percent and fifteen percent of available funds, respectively, shall be made available to water systems serving populations of 3,300 or less (designated as very small communities) and water systems serving populations of 3,301 to 9,999 (designated as small communities). The remaining sixty five percent (designated for general community) is not restricted by population served.

- The fundable project lists may change significantly between the draft Intended Use Plan placed on public notice and the final version approved by the Safe Drinking Water Commission.
- The inclusion of a project on the fundable list is not a guarantee of funding. Other factors, such as timely progress, compliance with program requirements, and funding availability, may impact project funding.

	Loans			
	20% Very Small Community ⁽¹⁾	15% Small Community ⁽²⁾	65% General Community	Total
Allocation of Available Loan Funds:	\$ 31,161,072	\$ 23,370,804	\$ 101,273,482	\$ 155,805,358
Transfers	\$ (14,842,640)		\$ 14,842,640	\$ -
Transfers		\$ (22,525,479)	\$ 22,525,479	\$ -
Total Funding Assistance Planned (2)	\$ 16,318,432	\$ 845,325	\$ 138,641,601	\$ 155,805,358
Total Loans on Fundable List (1)	\$ 16,318,432	\$ 845,325	\$ -	\$ 17,163,757
<i>Balance Available after Loans Funded (3)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 138,641,601</i>	<i>\$ 138,641,601</i>

	Additional Subsidization ⁽⁴⁾			
	Very Small Community (DG)	Small Community	General Community (ERG)	Total
Allocation of Available Additional Subsidization Funds:	\$ 19,088,060			\$ 19,088,060
Disadvantaged Grants (DG)	\$ 18,738,060			\$ 18,738,060
Engineering Report Grants (ERG)			\$ 350,000	\$ 350,000
Transfers				\$ -
Total Funding Assistance Planned (2)	\$ 18,738,060	\$ -	\$ 350,000	\$ 19,088,060
Total Additional Subsidization on Fundable List (1)	\$ 18,738,060	\$ -	\$ -	\$ 18,738,060
<i>Balance Available after Additional Subsidization Funded (3)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 350,000</i>	<i>\$ 350,000</i>

(1) From the Project Lists on the subsequent pages.

(2) Funding Assistance Planned = Allocation + Transfers.

(3) Balances may be shifted to other categories to fund projects that are ready to proceed.

(4) Refer to the Additional Subsidization section within the IUP for a detailed explanation of eligibilities by grant type.

DWSRF Fiscal Year 2022 Project Priority Lists										
Carryover	Disadvantaged	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	Est. Financing Schedule FY - Quarter
Note: An explanation of the abbreviations and codes appears at the end of the project lists.										
FUNDABLE LIST - AVAILABLE FUNDS (Debt instrument secured and engineering report submitted)										
TOTAL AVAILABLE FUNDS								\$ 155,805,358	\$ 19,088,060	
Very Small Community (Systems that serve a population of 3,300 or fewer)								\$ 16,318,432	\$ 18,738,060	
	D	145	Princeton	DW291370-01	TP, Dis, Stor Rehab, Well, Well Rehab	1,166	\$ 3,098,550	\$ 1,098,550	\$ 2,000,000	22-4
	D	135	Chamois	DW291365-01	Well, Stor Rehab, Dis	396	\$ 751,660	\$ 187,915	\$ 563,745	22-4
	D	110	Newburg	DW291229-02	Dis, Stor, Well Rehab	470	\$ 1,147,592	\$ 286,898	\$ 860,694	22-4
	D	105	Camden County PWSD #1	DW291373-01	Dis, Stor, Stor Rehab, Well Rehab,TP	220	\$ 2,710,221	\$ 710,221	\$ 2,000,000	22-4
	D	85	Licking	DW291380-01	Dis, Stor, Stor Rehab, Well	3,124	\$ 4,851,173	\$ 2,851,173	\$ 2,000,000	22-4
	D	75	Urbana	DW291367-01	Dis, Well Rehab	417	\$ 1,156,043	\$ 468,309	\$ 1,404,927	22-2
	D	75	Pineville	DW291142-02	TP, Dis, Stor,Well Rehab	790	\$ 1,798,800	\$ 449,700	\$ 1,349,100	22-4
	D	70	Silex	DW291377-01	TP, Dis, Stor	187	\$ 2,109,688	\$ 527,422	\$ 1,582,266	22-4
	D	55	Warsaw*	DW291293-02	Dis	2,127	\$ 4,979,023	\$ 1,283,883	\$ 2,000,000	22-2
	D	55	Mokane**	DW291381-01	Well Rehab, Dis	185	\$ 1,521,100	\$ 380,275	\$ 1,140,825	22-4
	D	50	Paris** - Planning & Design	DW291159-03	PD	1,220	\$ 386,400	\$ 386,400	\$ -	22-2
	D	50	Paris**	DW291159-03A	Dis	1,220	\$ 3,023,820	\$ 1,076,605	\$ 1,947,215	22-4
C	D	45	Memphis, Phase II	DW291363-02	Stor, TP, Dis	1,822	\$ 2,519,050	\$ 629,762	\$ 1,889,288	22-2

Carryover	Disadvantaged	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	Est. Financing Schedule FY - Quarter
C		90	Moniteau Co. PWSD #1*	DW291378-01	Dis, Stor, Well Rehab	203	\$ 2,657,282	\$ 500,000	\$ -	22-4
C		54	Brashear	DW291347-01	Stor	273	\$ 950,748	\$ 950,748	\$ -	22-4
C		54	Harry S. Truman PWSD #2	DW291239-02	Stor	3,200	\$ 1,959,846	\$ 1,959,846	\$ -	22-2
		35	Saline County PWSD #1	DW291359-01	Dis, Stor	591	\$ 1,222,725	\$ 1,222,725	\$ -	22-4
C		34	Cass Co. PWSD #10*	DW291249-03	Stor	2,500	\$ 1,721,705	\$ 1,348,000	\$ -	22-4
Very Small Community Total							\$ 38,565,426	\$ 16,318,432	\$ 18,738,060	
Balance								\$ -	\$ -	
Small Community (Systems that serve a population of 3,301 to 9,999)							\$ 845,325	\$ -		
C		41	Bowling Green	DW291167-04	Dis	5,334	\$ 845,325	\$ 845,325	\$ -	22-4
Small Community Total							\$ 845,325	\$ 845,325	\$ -	
Balance								\$ -	\$ -	
General Community							\$ 138,641,601	\$ 350,000		
General Community Total							\$ -	\$ -	\$ -	
Balance								\$ 138,641,601	\$ 350,000	
Total Fundable List Projects							\$ 39,410,751	\$ 17,163,757	\$ 18,738,060	
Balance of Fundable List								\$ 138,641,601	\$ 350,000	
FUNDABLE CONTINGENCY LIST (Debt instrument secured and engineering report submitted; fundable if funds become available)										
							\$ -	\$ -	\$ -	
Total Fundable Contingency Projects							\$ -	\$ -	\$ -	

Carryover	Disadvantaged	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	Est. Financing Schedule FY - Quarter
PLANNING LIST (Debt instrument and engineering report not yet secured/submitted)										
C		106	Archie	DW291142-03	Dis, Stor, TP	1,170	\$ 5,403,169	\$ -	\$ -	
C		14	Cole Co. PWSD #4	DW291208-04	Dis, Stor	7,568	\$ 4,799,025	\$ -	\$ -	
Total Planning List Projects							\$ 10,202,194	\$ -	\$ -	
Total Balance Remaining after Projects Funded								\$ 138,641,601	\$ 350,000	

Description Reference List		
C	Carried over from the last Intended Use Plan	TP - Treatment
D	Disadvantaged	Stor – Storage
		Dis – Distribution
		Rehab - Rehabilitation
		Well - Well
		Stor Rehab - Storage Rehabilitation
		Well Rehab - Well Rehabilitation
		PD - Planning and Design

Notes:

* Applicant has a max bonding capacity that the loan amount cannot exceed.

** Application not received by March 1, 2021.

***Project has been designated as a Federal Funding Accountability and Transparency Act project. All payments (grant or loan) are considered as federal funds. A federal audit will be required of the applicant if the applicant expends an aggregate amount of \$750,000 or more of federal assistance from all federal sources.

Final eligible costs will be determined as documents are submitted and the project progresses toward loan closing.

Financing schedule shown is for planning purposes only. Final scheduling will be determined as documents are submitted and approvals obtained.

Carry over projects from the fiscal year 2022 list must reapply to be considered for the fiscal year 2023 list.

IUP Narrative

Added "High Bids" to Page 10 of the Intended Use Plan

Deadline, Eligibility, Terms, Prioritization, Listing Process

Application deadline

The Department accepts applications at any time. Applications received or postmarked by March 1 receive priority consideration for funding in the next fiscal year's IUP, and consideration for additional subsidization (grant or principal forgiveness) funding. See Appendix 2 for more information about applying for funding.

Eligible project types

Eligible projects include infrastructure improvements that facilitate compliance with national primary drinking water regulations or otherwise significantly advance the public health protection objectives of the Safe Drinking Water Act. Projects may be new construction or the improvement or renovation of existing facilities.

Drinking water projects may include the following:

- Treatment plants
- Transmission and distribution mains
- Supply sources (i.e. wells, interconnections, and surface water intakes)
- Storage facilities
- Water security projects
- Purchase of a reservoir water rights in order to meet drinking water health protection objectives of the Safe Drinking Water Act

Certain water projects are ineligible for assistance including the following:

- Construction or rehabilitation of dams
- Construction or rehabilitation of most water reservoirs
- Projects needed primarily for fire protection
- Projects needed primarily to serve future population growth

Eligible expenses and allowable construction costs also include engineering costs for planning and design, land if needed for the project, and legal costs associated with the project. Eligible and ineligible expenses are further described in the DWSRF Eligibility Handbook available at epa.gov/drinkingwatersrf/dwsrf-eligibility-handbook.

Eligible loan applicants

- Political subdivisions (including counties, incorporated cities and towns, joint municipal utility commissions, and regional water or sewer districts) that are not owned by the federal government
- Not-for-profit corporations providing a wholesale or regional water supply
- Investor-owned water utility corporations

All eligible applicants must demonstrate technical, managerial, and financial capacity to enter into a binding financial commitment.

Terms of financial assistance

The DWSRF offers a fixed-rate loan with a subsidized target interest rate of 70 percent below the market rate published the week prior to loan closing. The market interest rate is based on The Bond Buyer's 25-Revenue Bond Index, which provides an estimate of the yield on a 30-year revenue bond offered under current market conditions (comparable to an AAA-rated municipal market rate). Loan proceeds must be expended within 36 months of the loan closing.

The standard loan term is 20 years. However, terms of up to 30 years, not to exceed the useful life of the project, are available with an additional 0.25 percent interest added to the target rate. Applicants with significant existing debt may request to delay the repayment of new debt around the existing debt service, with a customized loan repayment structure, not to exceed the 20 or 30 year loan term. The Department charges an annual fee of 0.5 percent of the outstanding loan balance to help administer the DWSRF program.

DWSRF loans are evidenced and secured by a borrower's debt obligation. Thus, each applicant must demonstrate it has secured bond authorization with a dedicated repayment source in order to provide the appropriate loan security. The bond is ordinarily a Revenue Bond or a General Obligation Bond, but a Special Obligation Bond may be accepted in certain circumstances. Each borrower must be represented by a Nationally Recognized Bond Counsel, which is an attorney or firm of attorneys with a national reputation for rendering opinions in connection with the issuance of municipal obligations and the tax-exempt status under federal law of interest on such obligations.

The Department may make DWSRF additional subsidization in the form of grant or principal forgiveness available, in conjunction with a loan, for certain eligible projects in accordance with current federal appropriations. See the Additional Subsidization Section for more information about DWSRF grant and principal forgiveness eligibility.

Project prioritization

The DWSRF Priority Points Criteria (Appendix 5), Distribution-of-Funds and Readiness-to-Proceed Criteria are the basis for project ranking and funding allocation. The priority point criteria describe the criteria the Department uses to prioritize loan applications. The most serious problems are given the highest priority. The readiness-to-proceed criteria describe the minimum criteria an applicant must meet to be eligible to be placed on the fundable list.

Distribution of funds

Missouri law requires the Department to allocate funds by population size category as shown below (for projects that meet the application deadline and readiness-to-proceed criteria), to the extent possible:

- 20 percent to very small community systems serving up to 3,300 people
- 15 percent to small systems serving 3,301 to 9,999 people
- 65 percent to general communities (not restricted by population served)

After the Department allocates funds to all fundable projects within a particular category, it may transfer remaining unobligated funds to another category for which funds are not sufficient to satisfy all fundable projects. This approach maximizes the availability of funding to meet ready-to-proceed, documented infrastructure needs, and fully commit DWSRF funds as required by federal law.

The Department will consider funding applications for eligible private entity borrowers if funding is still available after all funding applications by political subdivisions have been satisfied.

Readiness to Proceed

A project is ready to proceed when, at a minimum, the applicant has submitted a complete engineering report and has secured bond authorization (or another acceptable debt instrument). A complete engineering report must adequately address the information required by sections 1-4 of the Engineering Report Submittal Checklist, <https://dnr.mo.gov/document-search/engineering-report-submittal-checklist-drinking-water-state-revolving-fund-mo-780>.

Intended Use Plan listing process

The Department allocates loan and additional subsidization funding to eligible applicants who have submitted an application by March 1 by listing projects on the annual IUP Project Priority Lists. Applications submitted with an engineering report and documentation of an acceptable debt instrument receive priority for allocation of loan and eligible additional subsidization. The Department may commit loan or grant funds for applications received after March 1 through an amendment to the Intended Use Plan if funds remain available.

The Department reviews the project applications for DWSRF eligibility and assigns priority points based on the DWSRF Priority Points Criteria to eligible projects. Next, the Department places eligible projects on the DWSRF Project Priority Lists and ranks projects by priority point score within each funding category.

The DWSRF Project Priority Lists contains the following categories:

- **Fundable List:** This list includes projects that meet the readiness-to-proceed criteria. Projects that meet the readiness-to-proceed criteria are those for which the applicant has submitted a complete engineering report, documentation of an acceptable debt instrument, and any necessary funding commitments from other state and/or federal agencies contributing funds to the project. The Department schedules these projects for financial assistance during the current fiscal year, and available loan and additional subsidization funds are allocated to listed projects.
- **Fundable Contingency List:** This list includes projects that meet the readiness-to-proceed criteria, however sufficient SRF funding is unavailable, or the project is not expected to need funds in the current fiscal year. These projects may receive assistance if funds become available during the fiscal year.
- **Planning List:** This list includes projects for which the Department has received an application, but is awaiting submittal of an engineering report and/or an acceptable debt instrument. The Department works with these communities to assist them in meeting readiness-to-proceed criteria. Once the criteria are met, the Department may move the project to the fundable list if funds are available.

Modifications to Project Priority Lists

After the Missouri SDWC adopts the DWSRF Project Priority Lists, it may modify the lists or redistribute the available funds by IUP amendment or as outlined below. Before taking action to modify the Project Priority Lists, the Department will notify those applicants directly affected.

- **Inadequate allocations:** If federal DWSRF allocations are less than the amount anticipated, or if previous allocations are reduced, the Department may recommend reducing project commitments.
- **Unanticipated or uncommitted funds:** The availability of unanticipated funds (due to prepayments or bypassed projects) or uncommitted funds can result in a project moving from the contingency list to the fundable list. Further, the amount of funds allocated to projects on the fundable lists may be increased, or projects that have already received assistance may receive increased assistance.
- **Bypass:** With the Commission's approval, the Department may bypass any project on the fundable list that does not make satisfactory progress toward meeting requirements in order to make the committed funds available to other projects that are ready to proceed.

Applicants are expected to make timely progress based on a reasonable project-specific schedule developed in coordination with the applicant. The Department may recommend that the SDWC bypass a project for failure to meet the schedule. The applicant will be notified of the recommendation of their project being bypassed and the date and time of the Commission meeting where the recommendation of bypass will be presented.

After Commission approval, bypassed projects will be removed from the fundable priority list and added to the fundable contingency list. If the application is still valid, it will be placed on a project list, in priority order, for funding consideration in the next federal fiscal year. If not, reapplication will be necessary as outlined in the IUP. Funds recovered through project bypass will be considered uncommitted and available for distribution to the next priority project.

In addition, the Department will give priority to projects that would alleviate an emergency situation that poses a threat to environmental or public health. These projects will be permitted to be added to the Fundable List without scoring if approved by the SDWC, and may be funded in advance of the projects on the Fundable List.

- **Project removal:** The Department may recommend the Commission remove a project from the priority list at the request of the applicant or if the Department finds the project is ineligible for DWSRF assistance.
- **High bids:** The Safe Drinking Water Commission, with its approval of this IUP and any subsequent amendments, grants the Department the authority to approve changes in project construction costs without an official IUP amendment. Applicants have a limited amount of time to enter into a contract once bids have been received and opened. Granting the Department the authority to approve the higher costs will ensure that the applicant does not incur additional costs associated with re-soliciting bids. If this occurs, the Financial Assistance Center will provide the Commission with a description of the change to the final funding amounts during the next scheduled commission meeting.

The Department will inform the applicant within 10-30 days if the Department can commit additional DWSRF funds to the previously approved project. In all cases, the Department will only commit to an increase in funding if the following criteria are met:

- DWSRF funds are available,
- The cost increase is not due to a change in the project scope, and
- For loans, the borrower has adequate bonding capacity.

Program commitments and state assurances

Federal appropriations to the DWSRF program primarily fund high-priority infrastructure projects. However, the Safe Drinking Water Act also allows states to set aside up to 31 percent for authorized projects that support public drinking water program activities. See Appendix 3 for details on Missouri's set-asides.

The Department makes a number of program commitments and state assurances related to managing the DWSRF. See Appendix 4 for a list of these commitments and assurances.

Plan for timely and expeditious use of funds

Federal law and regulations direct states to manage all SRF programs in a manner that ensures timely and expeditious use of all funds. Because not all available funds are committed to projects in this IUP, the Department developed a strategic plan for improving the prompt use of DWSRF funds. The plan includes, but is not limited to, increasing marketing and workshops; developing a DWSRF guidance for communities; targeting outreach to communities and privately owned utilities with large capital projects; streamlining processes to decrease the time from application to funding; and adoption of new project management tools for staff.

Missouri Water and Wastewater Review Committee

The Missouri Water and Wastewater Review Committee is a group representing three agencies, including the Department, the Missouri Department of Economic Development's Community Development Block Grant Program, and the U.S. Department of Agriculture - Rural Development, which provide funding to communities for water and wastewater infrastructure improvements. The committee convenes once a month to review proposals and engineering reports, and make recommendations to optimize project funding. This collaborative effort is intended to stretch limited financial assistance dollars to support the greatest number of projects for Missouri communities.